

Minutes of the Finance Committee

Wednesday, September 7, 2011

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Pamela Meyer, Bill Zaborowski, Dave Falstad, and Jim Heinrich. Rob Hutton arrived at 8:49 a.m. and Falstad left the meeting at 11:00 a.m. **Absent:** Ted Rolfs.

Also Present: Chief of Staff Mark Mader, Business Services & Collections Manager Andy Thelke, Senior Collections Specialist Michele Gallun, Senior Financial Analyst Linda Hein, Administration Director Norm Cummings, Budget Manager Keith Swartz, and Senior Financial Analyst Bill Duckwitz. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 8-17-11

MOTION: Heinrich moved, second by Falstad to approve the minutes of August 17. Motion carried 5-0.

Schedule Next Meeting Dates

- September 21

Announcements

Haukohl said committee members can request reviews of capital projects that may have fiscal changes, etc. for the next Finance Committee meeting.

Collections Report for Six Months Ended

Thelke and Gallun discussed the report entitled "Collections Division Delinquent Collection/Referral Analysis: 2011 Six Month Report." Thelke indicated that total six month collections increased 7.4% from 2010 and 10.1% from 2009. The total collected through the first six months of 2011 was \$2,117,930, of which, \$1,502,756 was retained by the County. For comparison purposes, \$1,971,584 was collected during the first six months of 2010, of which, \$1,291,314 was retained by the County. Tax intercept collections totaled \$1,145,642 through June 30, 2011 versus \$1,156,784 through June 30, 2010. A total of 4,214 tax intercept payments were received on accounts in 2011 versus 4,566 during this same time period in 2010. Additional revenue sources indentified/implemented by Collections have generated \$775,901 in revenues for the County during the first six months of 2011.

MOTION: Zaborowski moved, second by Falstad to accept the collections report for six months ended. Motion carried 5-0.

Hutton arrived at 8:49 a.m.

Proprietary Funds Report for Six Months Ended

Thelke reviewed the Proprietary Funds report for the County's various Enterprise and Internal Service funds. Those funds that showed a net income at the end of June 30, 2011 were the Naga-Waukee Ice Arena (\$20,695); Materials Recycling (\$1,240,773); Vehicle/Equipment Replacement (\$230,050); Central Fleet (\$72,900); Radio Services (\$291,325); Records Management (\$5,233);

Communications (\$45,977); End User Technology (\$165,495); and Health Insurance (\$1,011,567). Those funds that showed a net income loss were the Naga-Waukeke Golf Course (-\$22,840); Wanaki Golf Course (-\$120,400); Moor Downs Golf Course (-\$88,235); Eble Park Ice Arena (-\$33,885); Airport (-\$57,246); Risk Management/Workers Compensation (-\$509,449); and Collections (-\$24,213).

MOTION: Falstad moved, second by Heinrich to accept the Proprietary Funds report for six months ended. Motion carried 6-0.

Legislative Update by S. Spaeth

Spaeth advised that a bill to restore funding for the Materials Recycling Facility (MRF) will likely not go anywhere. For the most part, it is supported only by democrats. A hearing was held recently on a bill pertaining to pothole liability which has a good chance of passing. The County supports it because it limits our liability. However, we are not in favor of a potential amendment imposing time limits for fixing potholes. A bill to remove counties from extraterritorial zoning agreements between towns and cities also had a hearing. After she and Parks & Land Use Director Dale Shaver spoke with a towns' lobbyist advising him as to why this was not a good bill, Spaeth said she is fairly confident this bill will not go anywhere.

Annual Report on County Equalized Property Values

Cummings distributed copies of "Statement of Changes in Equalized Values by Class and Item" which included information on type of real estate (residential, commercial, agricultural, etc.), 2010 and 2011 equalized values/percent change, and net new construction for 2010-2011 per Waukesha County municipality. Also distributed was information on equalized values reduced by Tax Incremental District (TID) value increments (2011 County apportionment) for the various municipalities in Waukesha County. Cummings discussed these handouts as outlined.

He indicated that total net new construction in Waukesha County increased 0.64%, therefore, our levy could increase a maximum of 0.64% or about \$620,000. This would be the smallest levy increase in at least 25 years. The largest growth was in the Village of Lannon (1.90%) and the municipality with the smallest growth was the Village of Chenequa (-0.13%). Cummings noted there were other counties that fared much worse than Waukesha.

Cummings said the 2011 estimates we gave the rating agencies with regards to our equalized values for new construction were very close. Unfortunately, the total is very low: -1.46% from 2010 (\$49,552,562,500 versus \$50,288,874,200). For example, residential decreased 1.94%, commercial decreased 1.77%, and manufacturing decreased 0.72%. Cummings advised that residential is 75% of our tax base.

Cummings gave an update on the various TIDs in the County and expressed concerns with City of Waukesha #7, Village of Mukwonago #3, the new TID in the Town of Brookfield, and the new Woodman's TID in the City of Waukesha. Haukohl asked Cummings to keep the committee updated.

MOTION: Zaborowski moved, second by Hutton to accept the annual report on county equalized property values. Motion carried 6-0.

General Funds Report for Six Months Ended

Swartz and Duckwitz were present to discuss the report entitled “6 Months – 2011 Budget Monitoring Summary Report-General Fund Operations.” For six months of 2011, General Fund actual operating expenditures were at about \$74.4 million or 46% of the total modified expenditure budget versus expenditures for this same period in 2010 at \$73.3 million or about 47% of total 2010 actual expenditures. Operating revenues achieved during the first six months of 2011 were at nearly \$29.8 million or about 37% of the modified revenue budget versus \$31.2 million or approximately 39% of revenues recognized for the first six months of 2010.

The report indicated an estimated overall favorable result projected for the 2011 General Fund at year-end by nearly \$2.38 million (1.5%). Major favorable budget results included the following: total combined Health & Human Services budgets were projected to be favorable by over \$1.7 million; Emergency Preparedness budget by about \$225,000; Non-Departmental by nearly \$225,000; and County Treasurer by about \$200,000. These estimated favorable results were partially offset by projected unfavorable results of \$488,000 in the Register of Deeds Office, mainly due to estimated below budget real estate transfer fee and document recording fee revenues.

Falstad left the meeting at 11:00 a.m.

Swartz touched on concerns with lower projected federal and state revenues. He advised the following departments by year-end may be requesting fund transfers or may need to appropriate additional revenues (if generated) to address potential expenditure increases: County Clerk, District Attorney, Emergency Preparedness, Medical Examiner, and Public Works.

MOTION: Zaborowski moved, second by Hutton to accept the General Funds report for six months ended. Motion carried 5-0.

Annual Update on Grant/Sunset Positions

Swartz discussed his report entitled “Sunset Position Changes from the 2010 Annual Report as of August 2011” which included information on number of sunset positions per department, changes from the 2010 report, etc. A total of 80 full-time, ten part-time, and five temporary extra help sunset positions are currently being tracked.

MOTION: Heinrich moved, second by Meyer to accept the annual update on grant/sunset positions. Motion carried 5-0.

Future Agenda Items

- TID update including but not limited to City of Waukesha #7, Village of Mukwonago #3, the new TID in the Town of Brookfield, and the new Woodman’s TID in the City of Waukesha.

MOTION: Heinrich moved, second by Hutton to adjourn at 11:30 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer
Secretary